

TOLEDO-LUCAS COUNTY PORT AUTHORITY FINANCING PROGRAMS



LUCAS COUNTY
IMPROVEMENT CORP.

Agency/Program

Ohio Regional 166 Loan Program (administered through Toledo-Lucas County Port Authority)

Eligibility

Manufacturing, manufacturing-related, distribution, and research & development businesses

Requirements

- Used for up to 40% of costs of fixed assets such as land and building acquisition and machinery or equipment purchase. Industrial projects preferred.
- Show repayment and management capabilities
- Job creation/retention - create 1 job for every \$35,000 received
- Ohio prevailing wage rates apply

Rates/Terms

- Up to \$350,000 based on jobs created/retained
- Fixed rate of 4% for areas designated as "distressed" and 5% for all others, negotiable for 5-15 years
- Minimum equity of 10%, minimum bank participation of 25%

Contact

Toledo-Lucas County Port Authority, (419) 243-8251

Agency/Program

Northwest Ohio Bond Fund Program

Eligibility

- Manufacturing facilities
- Corporate or regional headquarters
- Commercial and distribution facilities
- Government operations
- Technical, research and development centers

Requirements

- Finance up to 90% of fixed assets only: land, buildings, machinery or equipment
- Show repayment and management capabilities
- Ohio prevailing wage rates apply

Rates/Terms

- \$1 million to \$8 million
- Term based on life of assets being financed; from 7 to 20 years
- Tax-exempt bonds for qualified manufacturing projects; taxable bonds for all other eligible projects
- Fixed interest rate - both taxable and tax-exempt

Contact

Toledo-Lucas County Port Authority
(419) 243-8251

Agency/Program

Small Business Administration (SBA) 504 Loan Program

Eligibility

- User's net worth less than \$6 million or, after tax, 2-year profit average under \$2 million

Requirements

- Fixed assets only: land, building, machinery and equipment
- Cash flow must be greater than debt service
- Appraisal
- Create 1 job for every \$35,000 received

Rates/Terms

- 10-20 year terms, depending on life of asset
- Maximum \$750,000, up to 40% of total project cost
- Fixed at 1% above treasury bond rate

Contact

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Agency/Program

Stand-Alone Bond Issues

Off-Balance Sheet Lease Financing

- Port Authority finances, constructs, acquires, and owns facilities and leases to a qualified Company which has control of construction and operation of facility
- Assets and debt associated with project do not appear on Company's balance sheet
- Lease payment is expensed by Company, which typically has a Fair Market Value purchase or lease extension option at end of initial term
- Port Authority ownership can exempt construction materials from state sales taxes
- Company generally must be investment grade credit quality, with minimum project size of \$5 million and no upper size limit

Synthetic Lease Financing

- Provides for off balance sheet financing in which the Company has a fixed price purchase option at end of lease term
- May qualify for sales tax exemption on building materials used in project
- The Company owns the facility for federal tax purposes and takes depreciation

Conduit

- Loan agreement or capital lease financing in which the borrower makes payments sufficient to pay debt service on Port Authority's revenue bonds
- Unless borrower is investment grade credit, typically backed 100% by bank, letter of credit
- Bonds also can be based on the strength of a full payout lease or loan agreement with a rated Company which may not require additional credit enhancement